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USMC, DOS, OSD and DIA review(s) completed.

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GENERAL

- 1. USSR believed not preparing attack on Turkey--US Military Attache Moscow, in replying to a War Department request for his views on rumors of Soviet military preparations in the Black Sea area, states that Soviet forces on Turkey's borders are "believed inadequate for attack." The MA "seriously doubts" that the Soviet internal situation would support a major war at present.
- 2. British to sell war planes to Turkey--US Military Attache Ankara has been told by the British Attache there that Great Britain is contracting to sell to Turkey 400 newly reconditioned combat and trainer aircraft, principally Mosquito fighter bombers and Spitfire fighters. Delivery by air from England will begin in October or November and will extend over about a year.
- 3. British expect to detain 20,000 Jews on Cyprus--US Military Attache Cairo reports that the British now have detained nearly 2,700 Jews on Cyprus and expect the total will exceed 20,000. The MA adds that Egyptian reaction to US fleet operations in the Mediterranean is "favorable."
- 4. US not to interfere with UNRRA shipments to Yugoslavia -- The State Department will not interfere with the shipment of UNRRA supplies to Yugoslavia without first obtaining proof of "substantial misuse."
- 5. <u>Tito claims violations increasing, asks US assurances</u>—Marshal Tito informed Ambassador Patterson on 31 August that "unauthorized flights over Yugoslav territory continue daily in increasing numbers."

In a note sent to the US prior to his 31 August written "regret" for the loss of US fliers Tito stated that Yugoslavia "cannot be held responsible for the victims of the burned plane on 19 August," and requested (a) an official guarantee that violations of Yugoslav territory will stop; (b) punishment of pilots responsible for future violations; and (c) agreement on signals to be used by pilots in distress over Yugoslav territory.

6. Reaction to Soviet UN offensive—According to Herschel Johnson, Bevin has instructed Cadogan to seek US and French support in opposing the inclusion on the Security Council agenda of the Soviet proposal that the SC request data on military forces stationed in "non-enemy" countries.

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Secretary Byrnes believes that the US also should oppose the Soviet proposal.

EUROPE-AFRICA

- 7. PORTUGAL: Revolution may break out within two weeks—According to US Military Attache Lisbon, the Opposition coalition, excluding the Communists, are prepared to stage a revolt within the next two weeks. The MA believes that the revolution, "if launched," will succeed because (a) there is widespread resentment against the present Government and (b) the majority supports the Opposition.
- 8. ALBANIA: UNRRA and Red Cross aid unnecessary—US Representative Jacobs reports that "no need exists" for continuing UNRRA and Red Cross aid to Albania. He states that the country's food requirements can be adequately met by the 1946 crop and that the Government is stockpiling medical, clothing and food supplies, probably for "ulterior military purposes."

Conscripts called up--Jacobs also reports that five new classes of conscripts have been called up and ordered to be ready to move on 5 September. He states that other troops are moving south daily by truck and believes that a "decision at this stage to give any part of Albania to Greece means war."

9. USSR: Embassy's views on internal unrest—US Charge Durbrow has concluded that the Kremlin now is aware that (a) there is a general post—war let—down in popular morale and energy in the USSR, (b) the zeal of Party members is wearing thin as they become more closely identified with the privileged bureaucracy, and (c) the industrial plant is in worse condition than was first believed. Durbrow believes that the problem is serious but does not reflect a general breakdown of the system, nor fore—shadow a major purge at present.

Soviet food situation not believed critical--US Military Attache Moscow concludes that the Soviet food outlook probably is not so dark as officially pictured. The MA does not believe the current food shortage is severe enough to preclude the possibility of limited military operations before the 1947 harvest. He suspects that the gloomy predictions of Soviet officials are designed to encourage relief shipments

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from the US and to excuse the USSR's failure to contribute to the world relief program.

Evidence that Konev commands Soviet ground forces--US Embassy Moscow sees in recent events strong circumstantial evidence that Marshal Konev's present position is one of central authority, and thinks it likely that he now commands all Soviet ground forces.

10. ITALY: Lack of information on US aid--An Italian representative at the Paris Conference has informed the US Delegation that the Italian people are uninformed about US aid in easing Italy's reparations burden.

Ex-partisans' organization Soviet-dominated--

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US Consulate General Milan that the Partigiani (an organization composed of ex-partisans) is "being manipulated" by the Soviets and the Partigiani's future is completely in the hands of Communist leader Togliatti.

Possible effect of harsh treaty terms--British Ambassador Charles has informed US Embassy Rome of his belief that unless the terms of the Italian peace treaty are modified, "Italy will drop into the Soviet lap."

11. HUNGARY: Smallholders' Government may fall--US Minister Schoenfeld has learned from "circles close to the Prime Minister Nagy" that the Hungarian Delegation at Paris may be forced by its Communist members to issue a statement opposing the US position regarding Hungarian reparations. Nagy has told Smallholders Party leaders that they would have no choice but to resign from the Government, if such a statement were issued.

FAR EAST

- 12. INDIA: Further trouble expected--US Commissioner New Delhi is of the opinion that no Congress or League leader has to date clearly risen above partisanship or shown statesman-like concern for the masses; therefore, the possibility of increased communal bitterness and further loss of life still looms large."
- 13. CHINA: Communist activities in north--Nationalist reports reaching the Commanding General 1st Marine Division indicate that the Chinese Communists may begin operations to destroy the southern section of

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the coastal railroad leading from Tientsin to Manchuria. He notes that recent derailments on that line occurred at a section from which US marines had been relieved of coal-train guard duty by Nationalist troops one week earlier. He believes that reported withdrawals of Communist military equipment from Harbin indicate that the Communists doubt that they can hold that city against a Nationalist offensive.

- 14. SIAM: Defense Ministry opposes Chinese Legation—US Military Attache Bangkok reports that the Defense Ministry fears and opposes the establishment of a Chinese Legation in Bangkok, because it may inflame already dangerous Chinese national feeling in Siam and become a center for anti-Siamese intrigue.
- 15. PHILIPPINES: Hukbalahap situation at end of truce-General Christiansen, CG AFV'ESPAC, believes that the Philippine Government, in order to avoid giving the impression of civil war, will not initiate large-scale attacks against the Hukbalahaps but plans to attack in force upon the first provocation by Hukbalahap troops.

Stringent immigration requirements approved—A stringent immigration law amendment has been approved by the Philippine Senate which will affect US citizens as well as other foreigners. General Christiansen feels that this amendment was the result of a justifiable public conviction that the Chinese dominate "wholesale and retail trade."

16. KOREA: Emergency landing of Soviet plane in American zone—CG 24th Corps reports that the two Soviet filers who recently landed in South Korea belonged to a unit of 45 fighters and 2 trainers on a ferrying mission from Siberia to Dairen. A possible movement of the 251st Stormovik Air Division from Lyalich to Dairen also is indicated.

THE AMERICAS

17. PERU: Suggested compromise of Talara incident—President Bustamante on 31 August proposed to US Ambassador Cooper that the US and Peru share jurisdiction over US personnel involved in the Talara incident of 28 July

According to his plan, the US court—martial would complete its nearing and impose appropriate sentence but suspend sentence until completion of a Peruvian trial. The more severe sentence would then be served.